

**FISCAL MEMORANDUM**  
**HB 946 – SB 1720**

March 28, 2008

**SUMMARY OF AMENDMENT (015837):** Requires the Department of Correction (DOC) to reimburse all counties housing convicted felons in local jails at a minimum rate of \$40 per day or actual cost, whichever is greater. Effective July 1, 2010, and each succeeding July, requires the reimbursement rate to be adjusted based on the average consumer price index (CPI).

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures - \$234,441,100

Increase Local Revenue - \$234,441,100

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures - \$27,127,700**

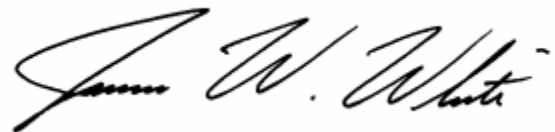
**Increase Local Revenue - \$27,127,700**

Assumptions applied to amendment:

- For FY08-09, DOC projects 8,115 convicted felons will be housed in local facilities at an estimated cost of \$121,377,837, based on the current cap of \$35 per day. For FY08-09, DOC estimates an increase in state expenditures of \$27,127,657 if the payment rate is increased to actual cost with a minimum rate of \$40 per day.
- Based on an average increase of three percent in the CPI, DOC estimates an average increase in payment amounts of three percent beginning July 1, 2010 and each succeeding year. Pursuant to the proposed amendment, if the CPI has a reduction, the reimbursement rate will not be reduced accordingly.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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